

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of)	
)	CC Docket No. 91-141
Local Competition Survey)	CCB-IAD File No. 98-102

BELLSOUTH REPLY COMMENTS

INTRODUCTION

BellSouth Corporation (BellSouth) submits these reply comments on behalf of itself and BellSouth Telecommunications, Inc. The current proposed survey must be redesigned as set out in BellSouth's Comments. The survey is unduly burdensome and likely to produce misleading and incomplete information. Such information will not be useful to any Commission action, rendering the entire process an expensive waste of resources.

1. BellSouth's Comments pointed out that the Commission has not delegated any authority to the Bureau to conduct a *local* competition survey. *BellSouth Comments* at 2.¹ No commenter has suggested any jurisdictional basis for the Bureau to conduct this survey. The simple fact is that the Bureau cannot properly issue any survey aimed at local matters without Commission action.

2. In general, competitive local exchange carriers ("CLECs") endorse reporting by both CLECs and incumbent local exchange carriers ("ILECs"). *See, e.g., AT&T*

¹ All references to "____ Comments" refer to that company's comments previously filed in this proceeding.

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Comments at 10; *Teleport Comments* at 1; *ALTS Comments* at 4-5. However, no CLEC identified a need for ILEC reporting on CLEC activities. There is no record support for requiring ILECs to report on CLEC activities when CLECs will be reporting. As the Bureau suggested, and CLECs agree, the best source of information on CLEC activities is the CLECs themselves. *Local Competition Survey* at ¶ 20. The Bureau should not impose a substantial and redundant burden on ILECs by requiring them to report on CLEC activities.

3. The Bureau's proposed survey would impose a second very substantial reporting burden on ILECs in the name of acquiring information on ILEC customer bases that is irrelevant to assessing the continuing growth of local competition. Much of the Bureau's proposed survey seeks information on the embedded base of ILEC customers. These parts of the survey are particularly burdensome. Although they substantially overlap ARMIS data, as pointed out by US West, *US West Comments* at 4-5, and thus can add little to the Commission's knowledge, they impose large reporting burdens on ILECs because no single question matches up exactly with a counterpart in ARMIS.²

In addition to being excessively and needlessly burdensome, requiring ILECs to report on their embedded base of customers has little relevance to measuring the growth of local competition. The Commission can gather the information it needs on whether CLECs are successfully implementing their business plans by obtaining information on their activities.

² Because the definitions and instructions on ARMIS reports and the Bureau's proposed local survey do not match up even when the questions seem to, no question on the proposed survey can be simply answered with existing data. Thus, each question imposes an extra reporting burden to ARMIS without necessarily yielding additional meaningful information.

4. As BellSouth, ALTS and AT&T have pointed out, the Bureau must also coordinate any survey with state commissions. Many of those commissions have been actively gathering local market information. There is no reason for any federal survey to begin imposing expensive and redundant obligations on the industry. *BellSouth Comments* at 5-6; *ALTS Comments* at 7, n.2; *AT&T Comments* at 15-18.

5. Commenters have suggested reporting cycles ranging from monthly to yearly. *Compare Allegiance Telecom Comments* at 2-3 (monthly) with *US West Comments* at 8-9 (annually). The variety of opinions here points out that the Bureau needs to rethink its survey. Should the Bureau proceed, the burden imposed by the current proposal argues convincingly for a yearly reporting cycle. Tellingly, Allegiance, which endorses monthly reporting, argues that only ILECs should report monthly, showing that the burden of monthly reporting given the current proposed survey is excessive. However, a properly designed survey instrument, eliciting essential information at minimal cost, could be answered monthly without an excessive burden. As suggested in BellSouth's Comments, and reiterated below, the Commission and the Bureau would be best served by instituting a series of industry workshops to design a survey instrument appropriate to the task.

6. Any survey adopted by the Commission or the Bureau must treat all survey respondents equally. For example, whatever reporting cycle or audit rights are imposed should be the same for all respondents. ILEC data is no more essential than CLEC data to assessing local markets. In fact, as discussed above, it is likely to be less important.

7. Only a few commenters sought to require reporting based on MSAs rather than states, as the Bureau proposed. *See, e.g., AT&T Comments* at 3-4. AT&T argues that because many CLECs began operations in a city, it should not be unduly burdensome for them to report MSA data. *Id.* As far as CLEC ability to report on an MSA level, AT&T's argument is pure conjecture. It is not supported by other CLECs. *See, e.g., Teleport Comments* at 6-7; *ALTS Comments* at 5-6. As far as BellSouth's ability to report, it is wrong. MSAs are often extremely broad areas that may cross state lines. These areas bear no resemblance to any traditional wireline reporting area, *e.g.* states, LATAs. The data sought by the Bureau's proposed survey cannot be generally provided disaggregated to MSA levels at any manageable price.

8. Several commenters seek to add extraneous questions to the Bureau's proposed survey. Thus, commenters seek reporting on collocation space availability and Operations Support System performance. *See Teleport Comments* at 4(collocation); *KMC Comments* at 1-2 (OSS). These subjects are not relevant to a survey of local competition. The currently proposed survey is overly burdensome as it is. No additional areas should be added to it until a properly designed survey has been successfully implemented, as discussed below.

9. Local competition is developing quickly and in a broad variety of ways. If a local competition survey is at all likely to provide helpful rather than misleading data, the Bureau needs to garner consensus on what its survey should measure and how it should

do so. Thus, Bell Atlantic raises a particularly telling point concerning AT&T's Digital Link service. *Bell Atlantic Comments* at 1, n.1. 50% of AT&T's traffic from business customers uses Digital Link to bypass Bell company networks. *Id.* Because Digital Link service competes with and substitutes for ILEC services, any meaningful local survey must measure the status of Digital Link and other such competitive substitutes. It is not clear that the Bureau's current proposed survey would capture this sort of information.³ The Bureau and the Commission would be best served by hosting a series of industry workshops to design a meaningful local survey that minimizes reporting costs and ensures that the data gathered is not redundant.⁴

CONCLUSION

As set out in BellSouth's Comments, the Bureau has no authority to impose its proposed local competition survey on the industry. The Bureau can obtain valuable information on the local market from many sources, especially state commission surveys of local competition. Any survey the Commission seeks to promulgate must strike a better balance between the costs of responding and the value of the information obtained.

³ Data on dedicated access competition must be captured to allow a meaningful analysis of the local market. Suggestions to the contrary, *ALTS Comments* at 3-4, would lead to an incomplete and misleading survey, and must be rejected.

⁴ Any local survey must provide carriers flexibility in reporting so they can develop ways to minimize burdens consistent with supplying meaningful information.

BellSouth urges an industry workshop approach to designing a survey that will provide useful information, in a flexible manner, at the lowest possible cost.

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CERTIFICATE OF SERVICE

I hereby certify that I have this 22nd day of June, 1998 served the following parties to this action with a copy of the foregoing **BELLSOUTH CORPORATION'S REPLY COMMENTS** by hand-delivery or placing a true and correct copy of the same in the United States Mail, postage prepaid, addressed to the parties at the addresses listed below:

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